

Attachment 3

***Quality Assurance Surveillance Plan & Contractor
Payment Examples***

QUALITY ASSURANCE SURVEILLANCE PLAN
and
CONTRACTOR PAYMENT EXAMPLES
for
HOOVER DAM PARKING GARAGE MANAGEMENT & OPERATION

NOTE: Historically, Government employees have been able to successfully meet or exceed these performance requirements every month.

1. PERFORMANCE REQUIREMENTS SUMMARY (PRS)

The PRS Chart at Attachment 1:

1.1 Lists those PWS requirements (column 1) which are paid for on the basis of a payment computation system specified in paragraph 4 of this attachment. The absence from this PRS of any contract requirement, however, shall not detract from its enforceability or limit the rights or remedies of the Government under any other provision of the contract, including the clauses entitled "Inspection of Services" and "Default"

1.2 Defines the standard of performance for each listed service (column 2).

1.3 Sets forth the maximum allowable deviation (maximum error rate) from perfect performance for each listed service, Performance Requirement (column 3), that may occur before the Government will invoke the payment computation formula resulting in a payment of less than 100 percent of the maximum payment of the listed service.

1.4 Sets forth the primary surveillance methods the Government will use to evaluate the Contractor's performance in meeting the contract requirements (column 4).

1.5 Sets forth the percentage of the extended contract line item price that each listed contract requirement represents (column 5). Each contract line item must equal 100 percent.

2. GOVERNMENT QUALITY ASSURANCE

Contractor performance will be compared to the contract standards and performance requirements using the QASP.

2.1 The Government may use a variety of surveillance methods to evaluate the Contractor's performance. Only one method will be used at a time to evaluate a listed service during an inspection period for payment computation purposes. The methods of surveillance that may be used are:

2.1.1 Random sampling of recurring service outputs using the Random Number Table included in section 6 of this plan.

2.1.2 Periodic surveillance of output items (daily, weekly, monthly, quarterly, semiannually, or annually) as determined necessary to ensure a sufficient evaluation of Contractor performance.

2.1.3 100% Inspection

2.1.4 Customer Complaints.

3. CRITERIA FOR EVALUATING PERFORMANCE

Performance of a listed service will be accepted and paid for at the maximum payment percentage specified in column 5 of the PRS, when the number of defects found by the COR during contract surveillance does not exceed the number of defects allowed by the performance requirement in column 3. When the maximum error rate (MER) is exceeded, the Contractor shall complete a Contract Discrepancy Report (CDR). The Contractor shall explain, in writing, why performance was unacceptable, how performance will be returned to acceptable levels, and how recurrence of the problem will be prevented in the future. The CO will evaluate the Contractor's explanation and determine if full payment, partial payment, or the contract termination process is applicable. The Contractor's payment for services rendered will be calculated as stated in paragraphs 4 and 5. The Government specifically reserves the right to make a temporary partial payment for services performed, calculated as stated in paragraphs 4 and 5, prior to receipt and evaluation of the Contractor's response to a CDR.

3.1 DETERMINING THE NUMBER OF DEFECTS THAT WILL CAUSE LESS THAN MAXIMUM PAYMENT

3.1.1 When the method of surveillance of a service is random sampling, the maximum error rate indicates the number of defects that, when exceeded, will result in the Contractor receiving less than maximum payment.

3.1.2 When the method of surveillance is not random sampling, the number of defects that will cause less than a maximum payment will be determined as follows:

3.1.2.1 If the maximum error rate is a constant number of defects (for example two defects), the maximum error rate plus one or more additional defect will cause less than maximum payment (for example, three defects).

3.1.2.2 If the performance requirement is a percentage value, it is multiplied by the lot size to determine the number of defects that will allow maximum payment. If the resulting value has a decimal, it will be rounded to the next higher whole number if the decimal is .5 or greater and to

the next lower whole number if the decimal is less than .5. One or more additional defects will cause less than the maximum payment.

3.2 ACCEPTANCE OF REPERFORMANCE OR LATE PERFORMANCE.

3.2.1 Except as otherwise provided by this Section 3.2, the services required by this contract are of such a nature that defective or incomplete performance disclosed by Government inspection is not subject to correction by reperformance or late performance, and the Contractor shall not be entitled to reperform, perform late, or otherwise correct defective services for the purpose of improving an existing inspection rating or avoiding payment of less than full contract price.

3.2.2 At the sole election of the Government, and upon notification to the Contractor, the Contractor may be required to reperform, or perform late, defective work disclosed by Government inspection including defective and incomplete performance. Where the Government so elects, the Contractor shall be notified promptly after inspection that specified defective services will be reperformed or performed late and completed within a reasonable time specified by the Government.

3.2.2.1 Where the Government requires reperformance or late performance solely of sample defective service disclosed by random sampling, the Contractor's original inspection results shall not be modified upon reinspection since the sample reflects only a portion of the service lot. Instead if the maximum error rate is exceeded for that performance period, any payment computation shall include a credit for reperformance or late performance of sample defective service during that period according to the payment computation method described in paragraph 4.2.1.1.

3.2.2.2 Where the Government requires reperformance or late performance of all defective service in a lot, the Contractor shall resubmit the entire service for reinspection. Upon reinspection, the original inspection results shall be revised to reflect the resubmitted service lot.

4. CONTRACTOR PAYMENT

4.1 If the number of performance defects does not exceed the number of defects allowed per the PRS, the Contractor shall be paid the percentage of the monthly contract line item price indicated in column 5 of the Performance Requirements Summary chart for that service.

4.1.1 Under random sampling, the lot size and sample size defined in paragraph 5 is used as the basis for surveillance. The formula for the payment computation for each service is also defined in paragraph 5.

4.2 If the number of performance defects exceeds the number of defects allowed per the PRS, the Government will not pay the full percentage in column 5 for the service.

4.2.1 The payment for listed services with defects which exceed the maximum error rate will be calculated as follows:

4.2.1.1 For service surveilled by sampling, with a percentage given for the maximum error rate, the maximum contract payment per month is multiplied by the maximum payment percentage for the service to determine the maximum payment for acceptable service. This payment is multiplied by the percentage of the sample found acceptable to determine the percentage of the contract price that the Contractor will be paid for the listed service. The total number of defects found, not just those in excess of the rejection level, are used to determine the percentage of the sample found unacceptable. The percentage of the sample found unacceptable subtracted from 100 percent determines the percentage of the lot found acceptable. This payment computation method will be used for Required Service No. 2 (RS-2). See paragraph 5.2 for payment examples.

4.2.1.2 For services surveyed by periodic inspection, customer complaint, or 100% inspection, the calculation method to determine payment amount for the service is described in paragraphs 5.1 and 5.3 - 5.8. The number of defects found in excess of the maximum error rate is used to determine the payment amount. This payment calculation method is used for Required Services No. 1, 3, 4, 5, 6, 7 and 8.

4.2.1.3 For those services that are performed less frequently than monthly, surveillance and computation of the Contractor's payment will be made during or immediately following the month when that service is performed.

4.3 The Contractor's performance will be evaluated quarterly to determine if an incentive payment is due, beginning with the second quarter of contract performance. See Section 5.9 for an example of an incentive payment.

5. INSPECTION PROCEDURES AND EXAMPLES OF PAYMENT COMPUTATIONS FOR ALL REQUIRED SERVICES

5.1 Required Service 1 (RS-1): Safe, Orderly and Efficient Traffic Management on Bus Level

Method of Surveillance: 100% Inspection of the Daily Journal required by PWS Section 5.6.4 (1) plus Statistical Random Physical Inspections of the Parking Garage throughout the month.

Lot Size: The number of days in a month times the number of operating hours per day. This number ranges from 280 to 310.

Sample Size: 31 physical inspections per month.

Performance Requirement: Maximum Error Rate (MER) = 1 reportable incident per month that was within the Contractor's control. Performance is acceptable when 1 or fewer reportable (as specified in PWS Section 5.6.4 (1)) incidents occur during a month, on the bus level, that are within the Contractor's ability to prevent and that cause property damage, vehicle damage, or personal injury. Performance is unacceptable when 2 or more reportable (as specified in PWS Section 5.6.4 (1)) incidents occur during a calendar month, on the bus level, that are within the Contractor's ability to prevent and that cause property damage, vehicle damage, or personal injury. Performance is superior when no reportable incidents that cause property damage, vehicle damage, or personal injury occur during an entire quarter.

Sampling Procedure: At the beginning of the month, list all operating hours for each day of the month on a sheet of ruled paper. Beginning with the number 100, establish guide numbers by numbering the lines of the paper to correspond with the hours of each day. Using the random number table, select a quantity of guide numbers equal to the sample size. The hours of the days corresponding to the selected guide numbers indicate when the random physical inspections will be made.

Inspection Procedure: Inspect the bus level of the Parking Garage using the last physical inspection report as a guide. Note any new property damage that has occurred. Review the daily journal to find a description of any new damage and the circumstances surrounding the incident. Review the daily journal to find any additional incidents that involved property damage, vehicle damage or injury since the last time a physical inspection was performed. Determine if the Contractor could have prevented the incident. Document any incidents that could have been prevented by the Contractor.

Phase-in Period: During the first three months of the contract, performance is acceptable when 2 or fewer reportable (as specified in PWS Section 5.6.4 (1)) incidents occur during a calendar month, on the bus level, that are within the Contractor's ability to prevent and that cause property damage, vehicle damage, or personal injury.

Deduction for Unacceptable Performance: 5% of maximum monthly payment for each incident in excess of the maximum error rate.

5.1.1 EXAMPLE 1 - ACCEPTABLE PERFORMANCE: Maximum monthly payment for acceptable performance of required service 1 is \$1,000.00. One incident occurred within the month that was within the Contractor's ability to prevent.

(1) Maximum payment for acceptable service	\$1,000.00
(2) No incidents occurred in excess of the MER	
(3) Payment to the Contractor for this Service	\$1,000.00

5.1.2 EXAMPLE 2 - UNACCEPTABLE PERFORMANCE: Maximum monthly payment for acceptable performance of required service 1 is \$1,000.00. Three incidents occurred within the month that were within the Contractor's ability to prevent.

(1) Maximum payment for acceptable service	\$1,000.00
(2) Two incidents occurred in excess of the MER, each subtracts 5% from the maximum payment for a total of $2 \times 5\% = 10\%$ deduction	
(3) Deduct amount is $10\% \times \$1,000.00 = \100.00	<u>- 100.00</u>
(4) Payment to the Contractor for this Service	\$ 900.00

5.2 Required Service 2 (RS-2): Safe, Orderly and Efficient Traffic Management on the Auto Levels

Method of Surveillance: The primary method of surveillance will be Statistical Random Physical Inspections. Customer Complaints will also be considered.

Lot Size: The number of days in a month times the number of operating hours per day. This number ranges from 280 to 310.

Sample Size: 31 physical inspections per month.

Performance Requirement: MER = 5% of operating hours have traffic congestion caused by fee collection operations. Performance is acceptable when fee collection operations do not create traffic congestion entering or exiting the Parking Garage and traffic does not block bus level entrance more than 5% of the time during operating hours. Performance is unacceptable when fee collection operations create traffic congestion entering or exiting the Parking Garage or traffic blocks the bus level entrance more than 5% of the time during operating hours. Performance is superior when no traffic congestion due to fee collection operations was found during physical inspections for an entire quarter.

Sampling Procedure: At the beginning of the month, list all operating hours for each day of the month on a sheet of ruled paper. Beginning with the number 100, establish guide numbers by numbering the lines of the paper to correspond with the hours of each day. Using the random number table, select a quantity of guide numbers equal to the sample size. The hours of the days corresponding to the guide numbers indicate when the random physical inspections will be made.

Inspection Procedure: Observe traffic flow entering and exiting the Parking Garage. Document any occurrences of traffic backed up onto Highway 93, due to fee collection operations, that block traffic flow on the highway. Document any occurrences of private passenger vehicles blocking the entrance to the bus level due to fee collection operations. Document any occurrences of other traffic congestion within the Parking Garage.

Phase-in Period: During the first three months of the contract, performance is acceptable when fee collection operations do not create traffic congestion entering or exiting the Parking Garage and traffic does not block bus level entrance more than 10% of the time during operating hours.

Deduction for Unacceptable Performance: If traffic congestion occurs during more than 5% of the operating hours, the monthly payment to the Contractor will be reduced by 1% for each percent of operating hours that did not meet the performance requirement. For example, if the performance requirement was not met during 10% of the operating hours, a deduction of 10% of the maximum monthly payment would be made.

5.2.1 EXAMPLE 1- ACCEPTABLE PERFORMANCE: Monthly maximum payment amount for acceptable performance of required service 2 is \$1,000.00. Traffic congestion due to fee collection operations was found during one physical inspection.

- | | |
|---|------------|
| (1) Maximum payment for acceptable service | \$1,000.00 |
| (2) Percentage of sample found unacceptable was
1/31 X 100 = 3% (defects divided by sample size
multiplied by 100). 3% is within the MER. | |
| (3) Payment to the Contractor for this Service | \$1,000.00 |

5.2.2 EXAMPLE 2 - UNACCEPTABLE PERFORMANCE: Monthly maximum payment amount for acceptable performance of required service 2 is \$1,000.00. Traffic congestion due to fee collection operations was found during four physical inspections.

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|--|-----------------|
| (1) Maximum payment for acceptable service | \$1,000.00 |
| (2) Percentage of sample found unacceptable was
4/31 X 100 = 13% (defects divided by sample size
multiplied by 100). 13% exceeds the acceptable
level of performance. | |
| (3) Deduct amount is 13% X \$1,000.00 = \$130.00 | <u>- 130.00</u> |
| (4) Payment to the Contractor for this Service | \$ 870.00 |

5.3 Required Service 3 (RS-3): Collect Fees in Accordance with Government Policy on Bus and Auto Levels

Method of Surveillance: 100% Inspection of the Daily Reports required by PWS Section 5.4.2.1, Daily Journals required by PWS Section 5.4.2.2, and Monthly Reports required by PWS Section 5.4.2.3. Periodic inspections of actual cash on hand may also be performed.

Lot Size: The number of days in a month.

Sample Size: The number of days in a month.

Performance Requirement: Fees collected shall equal fees due for the month in accordance with the Hoover Dam Parking Fee Policy. Performance is acceptable when there are no cumulative overages or shortages for the month and daily overages or shortages do not exceed \$20.00 for any one day. Performance is unacceptable when there are cumulative overages or shortages for

the month or daily overages or shortages exceed \$20.00 for any one day. The cumulative monthly overage or shortage is the sum of all daily overages and shortages.

Inspection Procedure: Review the daily reports submitted each day by the Contractor to verify that the fees collected equal the fees due and to determine the amount of the daily overage or shortage. Document any days that have an overage or shortage of more than \$20.00. Review the daily journals and monthly reports submitted by the Contractor each month to verify that the fees collected equal the fees due and to determine the amount of the monthly overage or shortage. Document the amount of any monthly overage or shortage.

Deduction for Unacceptable Performance: For each day that has an overage or shortage of more than \$20.00, 1% of the maximum monthly payment will be deducted. The amount of the deduction for any cumulative monthly overage or shortage will be based on the maximum monthly payment **less** any deductions for daily overages or shortages in excess of \$20.00. For monthly overages/shortages between \$1.00 and \$50.00, a 2.5% deduction will apply. For monthly overages/shortages between \$50.01 and \$100.00, a 10% deduction will apply. For monthly overages/shortages of more than \$100.00, a 50% deduction will apply.

5.3.1 EXAMPLE 1 - ACCEPTABLE PERFORMANCE: Maximum monthly payment for acceptable performance of required service 3 is \$1,000.00. Ten days during the month had a daily overage or shortage of less than \$20.00. The cumulative monthly overage/shortage was \$0.00.

(1) Maximum payment for acceptable service	\$1,000.00
(2) Daily overages/shortages were within the MER	
(3) No monthly overage/shortage	
(4) Payment to the Contractor for this Service	\$1,000.00

5.3.2 EXAMPLE 2 - UNACCEPTABLE PERFORMANCE: Maximum monthly payment for acceptable performance of required service 3 is \$1,000.00. Four days during the month had a daily overage or shortage of more than \$20.00. The cumulative monthly overage/shortage was \$75.00.

(1) Maximum payment for acceptable service	\$1,000.00
(2) Daily overage/shortage deduction = 4 X 1% X \$1,000.00 = \$40.00	<u>- 40.00</u>
(3) Remaining maximum payment amount	\$ 960.00
(4) Monthly overage/shortage deduction = 10% X \$960.00 = 96.00	<u>- 96.00</u>
(5) Payment to the Contractor for this Service	\$ 864.00

5.4 Required Service 4 (RS-4): Remit Fees Collected to the Government

Method of Surveillance: The primary method of surveillance will be 100% Inspection of the Daily Reports required by PWS Section 5.4.2. Periodic inspections of actual cash on hand may also be performed.

Lot Size: The number of business days in a month.

Sample Size: The number of business days in a month.

Performance Requirement: All revenues collected shall be deposited in an account specified by the Government upon award of this contract in a Federally Insured Financial Institution within one business day of collection. If the following day is a bank holiday or weekend day, the Contractor will deposit the funds the next business day. MER = 1 day's fees remitted 1 day late, i.e. on the second business day after collection. Performance is acceptable when no more than one day's revenues for the month are deposited one business day late. Performance is unacceptable when more than one day's revenues for the month are deposited late or if one day's revenues are deposited later than two business days after collection. Performance is superior when all daily revenues for the quarter were deposited within one business day after collection.

Inspection Procedure: Review the daily reports and bank deposit records submitted each day by the Contractor to verify that the fees collected equal the fees deposited and that the fees collected were deposited within one business day. Document any occurrences of fees deposited not equal to the fees collected or fees deposited more than one business day after collection.

Deduction for Unacceptable Performance: When a second day in the month has its revenues deposited later than one business day after collection, or one day's revenues are not deposited until the third business day after collection, the deduction amount will be 25% of the maximum monthly payment amount. When a third day in the month has its revenues deposited later than one business day after collection, or one day's revenues are not deposited until the fourth business day after collection, the deduction amount will be 50% of the maximum monthly payment amount. When a fourth day in the month has its revenues deposited later than one business day after collection, or one day's revenues are not deposited until the fifth business day after collection, the deduction amount will be 75% of the maximum monthly payment amount. When a fifth day in the month has its revenues deposited later than one business day after collection, or one day's revenues are not deposited until the sixth business day after collection, the deduction amount will be 100% of the maximum monthly payment amount.

5.4.1 EXAMPLE 1 - ACCEPTABLE PERFORMANCE: Maximum monthly payment for acceptable performance of required service 4 is \$1,000.00. One day's revenues were deposited on the second business day after collection.

(1) Maximum payment for acceptable service	\$1,000.00
(2) No deposits exceeded the MER	
(3) Payment to the Contractor for this Service	\$1,000.00

5.4.2 EXAMPLE 2 - UNACCEPTABLE PERFORMANCE: Maximum monthly payment for acceptable performance of required service 4 is \$1,000.00. Two day's revenues were deposited on the second business day after collection.

(1) Maximum payment for acceptable service	\$1,000.00
(2) One deposit exceeded the MER	
(3) Deduct amount is 25% X \$1,000.00 = \$250.00	<u>- 250.00</u>
(4) Payment to the Contractor for this Service	\$ 750.00

5.5 Required Service 5 (RS-5): Maintain Complete and Accurate Financial Records

Method of Surveillance: 100% Inspection of the Reports required by PWS Section 5.4.2.

Lot Size: The number of days in a month.

Sample Size: The number of days in a month.

Performance Requirement: Financial records shall equal revenues remitted to the Government and shall be in accordance with Generally Accepted Accounting Procedures. Performance is acceptable when 100% of required records are complete and accurate. At the Government's election, the Contractor may be allowed to correct any deficiencies found within 3 calendar days of notification of the defect. The Contractor will be credited for correcting deficient reports within 3 calendar days. Performance is unacceptable when less than 100% of required records are complete and accurate and deficient reports are not corrected within 3 calendar days. Performance is superior when 100% of required records are complete and accurate when submitted, with no deficiencies found, for an entire quarter.

Inspection Procedure: Review all required daily, monthly, quarterly and annual reports submitted by the Contractor to verify that the records are complete and accurate. Document any deficiencies found and the date and time when the Contractor was notified to correct the deficiency.

Deduction for Unacceptable Performance: For the purposes of payment deductions, all five daily reports will be considered as one report, the two daily journals will be considered as one report, the two monthly reports will be considered as one report, the three quarterly reports will be considered as one report and the annual report will be considered as one report. 10% of the maximum payment amount will be deducted for each report that remains deficient for more than 3 calendar days.

5.5.1 EXAMPLE 1 - ACCEPTABLE PERFORMANCE: Maximum monthly payment for acceptable performance of required service 5 is \$1,000.00. Two deficient reports were found. All three were corrected within 3 calendar days.

(1) Maximum payment for acceptable service	\$1,000.00
(2) All deficiencies were corrected in a timely manner	
(3) Payment to the Contractor for this Service	\$1,000.00

5.5.2 EXAMPLE 2 - UNACCEPTABLE PERFORMANCE: Maximum monthly payment for acceptable performance of required service 5 is \$1,000.00. Two reports remained deficient for 10 days.

(1) Maximum payment for acceptable service	\$1,000.00
(2) Deduction = $2 \times 10\% \times \$1,000.00 = \200.00	<u>- 200.00</u>
(3) Payment to the Contractor for this Service	\$ 800.00

5.6 Required Service 6 (RS-6): Submit Complete and Accurate Financial Records When Due

Method of Surveillance: 100% Inspection of the Reports required by PWS Section 5.4.2.

Lot Size: The number of days in a month.

Sample Size: The number of days in a month.

Performance Requirement: Financial records shall be submitted in accordance with the time frames specified in PWS Section 5.4.2. MER = 3 late report-days per month. Performance is acceptable when daily reports are submitted with 3 or fewer late report-days and monthly, quarterly and annual reports are submitted in accordance with PWS Section 5.4.2. Performance is unacceptable when daily reports are submitted with more than 3 late report-days or when monthly, quarterly or annual reports are submitted after they are due. For the purposes of defining report-days, all five daily reports will be considered as one report. A late report-day is defined to be one report submitted one day late. Three report-days equal one report turned in 3 days late or 3 reports, each turned in one day late. Performance is superior when there are no late report-days for the quarter and all monthly, quarterly and annual reports due for the quarter are submitted within the time frames specified in PWS Section 5.4.2.

Inspection Procedure: Review all required daily, monthly, quarterly and annual reports submitted by the Contractor to verify that the records were submitted when due. Document any late report-days.

Deduction for Unacceptable Performance: 5% of the maximum monthly payment amount will be deducted for each late report-day in excess of the MER. The amount of the deduction for any

late monthly, quarterly, or annual reports will be based on the maximum monthly payment **less** any deductions for excess late report-days. For monthly, quarterly or annual reports that are submitted from 1 to 7 days past their due date, a 25% deduction will apply. For monthly, quarterly or annual reports that are submitted from 8 to 14 days past their due date, a 50% deduction will apply. For monthly, quarterly or annual reports that are submitted 15 or more days past their due date, a 75% deduction will apply.

5.6.1 EXAMPLE 1 - ACCEPTABLE PERFORMANCE: Maximum monthly payment for acceptable performance of required service 6 is \$1,000.00. Two daily reports were submitted one day late each, this equals 2 late report-days. All monthly, quarterly or annual reports due were submitted on time.

(1) Maximum payment for acceptable service	\$1,000.00
(2) 2 late report-days does not exceed the MER	
(3) Payment to the Contractor for this Service	\$1,000.00

5.6.2 EXAMPLE 2 - UNACCEPTABLE PERFORMANCE: Maximum monthly payment for acceptable performance of required service 6 is \$1,000.00. Four daily reports were turned in one day late each. One daily report was turned in two days late. This equals $4 + 2 = 6$ late report-days, 3 late report-days more than the MER. The monthly report was turned in 5 days past its due date.

(1) Maximum payment for acceptable service	\$1,000.00
(2) Deduction for late report-days = 3 X 5% X \$1,000.00 = \$150.00	<u>- 150.00</u>
(3) Remaining maximum payment amount	\$ 850.00
(4) Deduction for late monthly report = 25% X \$850.00 = 212.50	<u>- 212.50</u>
(5) Payment to the Contractor for this Service	\$ 637.50

5.7 Required Service 7 (RS-7): Communicating Emergencies, Accidents, Injuries, Illness, Property Damage, Inoperable or Faulty Equipment or Facilities, Hazardous Materials Spills, Fires and any other Unsafe/Hazardous Conditions in the Parking Garage

Method of Surveillance: The primary methods for surveillance will be 100% Inspection of the Daily Journal required by PWS Section 5.6.4 (1) and of Hoover Dam's Control Room, Lead Guide, Safety Office, First Aid and Security Logs. Customer Complaints will also be considered.

Lot Size: The number of weeks in the month.

Sample Size: The number of weeks in the month.

Performance Requirement: Maximum Error Rate (MER) = 1 reportable incident per month not communicated to the Government in accordance with PWS Sections 5.5 and 5.6. Performance is acceptable when 1 reportable (as specified in PWS Section 5.6.4 (1)) incident that occurs during the month is not communicated to the appropriate Government official within the time frames specified in PWS Sections 5.5 and 5.6. Performance is unacceptable when more than one reportable incidents are not communicated to the appropriate Government official within the time frames specified in PWS Sections 5.5 and 5.6. Performance is superior when all reportable incidents that occur during the quarter are communicated in accordance with PWS Sections 5.5 and 5.6.

Inspection Procedure: Review the Daily Journal submitted by the Contractor. Compare it to the Control Room, Lead Guide, Safety, First Aid and Security Logs. Document any unreported, verified incidents in the Daily Journal. Incidents are verified by a report of the incident in one or more of the other logs.

Phase-in Period: During the first three months of the contract, performance is acceptable when 2 reportable (as specified in PWS Section 5.6.4 (1)) incidents occur during a calendar month which are not communicated in accordance with PWS Sections 5.5 and 5.6.

Deduction for Unacceptable Performance: 25% of the maximum monthly payment for the second verified, uncommunicated incident. 50% of the maximum monthly payment for the third verified, uncommunicated incident. 75% of the maximum monthly payment for the fourth verified, uncommunicated incident. 100% of the maximum monthly payment for the fifth verified, uncommunicated incident.

5.7.1 EXAMPLE 1 - ACCEPTABLE PERFORMANCE: Maximum monthly payment for acceptable performance of required service 7 is \$1,000.00. One reportable incident occurred during the month that was not communicated in accordance with PWS Sections 5.5 and 5.6.

(1) Maximum payment for acceptable service	\$1,000.00
(2) One uncommunicated incident does not exceed the MER	
(3) Payment to the Contractor for this Service	\$1,000.00

5.7.2 EXAMPLE 2 - UNACCEPTABLE PERFORMANCE: Maximum monthly payment for acceptable performance of required service 7 is \$1,000.00. Three reportable incidents occurred within the month that were not communicated in accordance with PWS Sections 5.5 and 5.6.

(1) Maximum payment for acceptable service	\$1,000.00
(2) Deduction = 50% X \$1,000.00 = \$500.00	<u>- 500.00</u>
(3) Payment to the Contractor for this Service	\$ 500.00

5.8 Required Service 8 (RS-8): Logging Emergencies, Accidents, Injuries, Illness, Property Damage, Inoperable or Faulty Equipment or Facilities, Hazardous Materials Spills, Fires and any other Unsafe/Hazardous Conditions in the Parking Garage

Method of Surveillance: The primary methods for surveillance will be 100% Inspection of the Daily Journal required by PWS Section 5.6.4 (1) and verification by Hoover Dam's Control Room, Safety Office, First Aid or Security and Law Enforcement Group that all required reports have been submitted completely and accurately. Customer complaints will also be considered.

Lot Size: The number of days in a month.

Sample Size: The number of days in a month for the daily journal.

Performance Requirement: Performance is acceptable when all reportable (as specified in PWS Section 5.6.4 (1)) incidents are logged in the Contractor's Daily Journal and required reports are submitted completely and accurately to the appropriate Government official within the time frames specified in PWS Sections 5.5 and 5.6. At the Government's election, the Contractor may be allowed to correct any deficiencies found within 3 calendar days of notification of the deficiency. The Contractor will be credited for correcting deficiencies within 3 calendar days. Performance is unacceptable when any reportable incidents are not logged in the Contractor's Daily Journal or when the required incident reports are not submitted to the appropriate Government official within the time frames specified in PWS Sections 5.5 and 5.6 and when the reports remain deficient for more than 3 calendar days after notification of the deficiency. Performance is superior when all required reports due for reportable incidents that occurred during the quarter are submitted in accordance with PWS Sections 5.5 and 5.6 and all reportable incidents are logged in the Contractor's Daily Journal and when no deficiencies were found for the entire quarter.

Inspection Procedure: Review the Daily Journal submitted by the Contractor. Compare it to the Control Room, Safety Office, and Security and Law Enforcement Group records. Document any missing, incomplete or inaccurate reports in the Daily Journal. Document the date and time when the Contractor was notified to correct the deficiency.

Phase-in Period: During the first three months of the contract, performance is acceptable when 2 reportable (as specified in PWS Section 5.6.4 (1)) incidents that occurred during a month have reports that are not completely and accurately submitted in accordance with PWS Sections 5.5 and 5.6.

Deduction for Unacceptable Performance: 10% of the maximum monthly payment amount, **less** any deductions made for uncommunicated incidents, for each report that remains deficient for more than 3 days after notification of the deficiency.

5.8.1 EXAMPLE 1 - ACCEPTABLE PERFORMANCE: Maximum monthly payment for acceptable performance of required service 8 is \$1,000.00. Two reportable incidents occurred during the month that had incomplete reports submitted within the time frames specified in PWS Section 5.5 and 5.6. The deficiencies were corrected within 3 calendar days after notification of the deficiencies.

(1) Maximum payment for acceptable service	\$1,000.00
(2) All deficiencies were corrected in a timely manner	
(3) Payment to the Contractor for this Service	\$1,000.00

5.8.2 EXAMPLE 2 - UNACCEPTABLE PERFORMANCE: Maximum monthly payment for acceptable performance of required service 8 is \$1,000.00. One reportable incident occurred within the month that was not communicated in accordance with PWS Sections 5.5 and 5.6. Three reportable incidents did not have all their required reports submitted in accordance with PWS Sections 5.5 and 5.6. The report for one of these incidents remained unsubmitted for 7 days after notification, the reports for the other two incidents were corrected and submitted within 3 days of notification of the deficiency.

(1) Maximum payment for acceptable service	\$1,000.00
(2) Deduction for uncommunicated incident = 25% X \$1,000.00 = \$250.00	<u>- 250.00</u>
(3) Remaining Payment to Contractor	\$ 750.00
(4) Deduction for unsubmitted report = 1 X 10% X \$750.00 = \$75.00	<u>- 75.00</u>
(5) Payment to the Contractor for this Service	\$ 675.00

5.9 Superior Performance

Contractor performance will be evaluated on a quarterly basis to determine if the requirements for superior performance have been met. Since the first quarter of contract performance is considered the phase-in period, superior performance will be evaluated beginning in the second quarter of contract operations and for each quarter thereafter.

Method of Surveillance: 100% inspection of all records evaluating contractor performance for the quarter.

Lot Size: The number of records evaluating contractor performance for the quarter.

Sample Size: The number of records evaluating contractor performance for the quarter.

Performance Requirement: Performance is superior when all of the following requirements are met:

- 1) No reportable incidents that cause property damage, vehicle damage, or personal injury occur during the quarter.
- 2) No traffic congestion due to fee collection operations was found during physical inspections for the quarter.
- 3) All daily revenues for the quarter were deposited within one business day after collection.
- 4) 100% of records required by PWS Section 5.4 for the quarter are complete and accurate when submitted, with no deficiencies found.
- 5) There are no late report-days for the quarter and all monthly, quarterly and annual reports due for the quarter are submitted within the time frames specified in PWS Section 5.4.2.
- 6) All reportable incidents that occur during the quarter are communicated in accordance with PWS Sections 5.5 and 5.6.
- 7) All required reports due for reportable incidents that occurred during the quarter are submitted in accordance with PWS Sections 5.5 and 5.6 and all reportable incidents are logged in the Contractor's Daily Journal and no deficiencies were found for the quarter.

Inspection Procedure: Review all records evaluating contractor performance for the quarter. Document findings.

Incentive for Superior Performance: 5% of the maximum monthly payment amounts for all line items due for the quarter.

5.9.1 EXAMPLE 1 - SUPERIOR PERFORMANCE: The sum of all maximum payment amounts for all line items due for the quarter is \$9,000. All performance requirements were met for superior performance for the entire quarter.

(1) The 3 line items for Month 1 totaled \$3,000 (\$1,000 for Traffic Management, \$1,000 for Financial Management and \$1,000 for Safety, Security and Communications)	\$3,000.00
(2) The 3 line items for Month 2 totaled \$3,000 (\$1,000 for Traffic Management, \$1,000 for Financial Management and \$1,000 for Safety, Security and Communications)	\$3,000.00
(3) The 3 line items for Month 3 totaled \$3,000 (\$1,000 for Traffic Management, \$1,000 for Financial Management and \$1,000 for Safety, Security and Communications)	\$3,000.00
(4) Maximum payment for the quarter for acceptable service	<u>\$9,000.00</u>
(5) Incentive payment is 5% X \$9,000.00 = \$450.00	<u>+ 450.00</u>
(6) Total Payment to the Contractor for the Quarter	\$9,450.00

6. RANDOM NUMBER TABLE

The following information is excerpted from Air Force Manual 64-108.

6.1 To use the random number table, begin by picking at random a group of numbers on any page of the table. This is usually done by closing the eyes and pointing with a pencil or finger to some initial group.

6.2 To identify additional random numbers, follow a pattern. Use various patterns for selection of individual samples. For example, go along a given line to its end and then along the next line to its end and so on through the table until enough numbers have been selected or until the table ends. If the table ends and you still need more numbers, go back to the beginning of the table and continue using the same pattern. Examples of alternate patterns are to go down columns or to go diagonally across the table.

6.3 When the chosen pattern results in selection of a number that is outside the lot size range, do not take that number. Go on to the next number in the pattern for the next sample. For example, if you were identifying random numbers for sampling of 100 work orders numbered between 200 and 300 and the number randomly selected from the table was 199, simply go to the next number in the pattern until you get a number between 200 and 300.

6.4 In most cases, the sample being selected will be represented by a number of less than 5 digits; for example, 3-digit work order numbers, building numbers, or days of the month. In those cases, simply use only the number of digits from the numbers in the random number tables as are required. For example, if you were selecting days of the month as a sample, use only the last 2 digits of the numbers selected. For work orders numbered with 3 digits, use the last three or the first three. It makes no difference which positions you use, however, once you begin selecting numbers, stay with the same sequence until all required numbers are drawn.

6.5 It is very important to document your selections and how they were made. Document your patterns, starting and ending points, and numbers drawn and file it with the official quality assurance/inspection files. This information may be used at a later date to substantiate the Government's position on a Contractor's claim or protest action.

Table A4.1. Random Number Table.

Line	Col.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1		10460	15011	01536	02011	81647	91646	69179	14194	62590	36207	20969	99570	91291	90700
2		22368	46573	25595	85393	30995	89198	27982	53402	93965	34095	52666	19174	39615	99505
3		24130	48360	22527	97265	76393	64809	15179	24830	49340	32081	30680	19655	63348	58629
4		42167	93093	06243	61680	07856	16376	39440	53537	71341	57004	00849	74917	97758	16379
5		37570	39975	81837	16656	06121	91782	60468	81305	49684	60672	14110	06927	01263	54613
6		77921	06907	11008	42751	27756	53498	18602	70659	90655	15053	21916	81825	44394	42880
7		99562	72905	56420	69994	98872	31016	71194	18738	44013	48840	63213	21069	10634	12952
8		96301	91977	05463	07972	18876	20922	94595	56869	69014	60045	18425	84903	42508	32307
9		89579	14342	63661	10281	17453	18103	57740	84378	25331	12566	58678	44947	05585	56941
10		85475	36857	53342	53988	53060	59533	38867	62300	08158	17983	16439	11458	18593	64952
11		28918	69578	88231	33276	70997	79936	56865	05859	90106	31595	01547	85590	91610	78188
12		63553	40961	48235	03427	49626	69445	18663	72695	52180	20847	12234	90511	33703	90322
13		09429	93969	52636	92737	88974	33488	36320	17617	30015	08272	84115	27156	30613	74952
14		10365	61129	87529	85689	48237	52267	67689	93394	01511	26358	85104	20285	29975	89868
15		07119	97336	71048	08178	77233	13916	47564	81056	97735	85677	29372	74461	28551	90707
16		51085	12765	51821	51259	77452	16308	60756	92144	49442	53900	70960	63990	75601	40719
17		02368	21382	62404	60268	89368	19885	55322	44819	01188	65255	64835	44919	05944	55157
18		01011	54092	33362	94904	31273	04146	18594	29852	71585	85030	51132	01915	92747	64951
19		52162	53916	46369	58586	23216	14513	83149	98736	23495	64350	94738	17752	35156	35749
20		07056	97628	33787	09998	42698	06691	76988	13602	51851	46104	88916	19509	25625	58104
21		48663	91245	85826	14346	09172	30168	90229	04734	59193	22178	30421	61666	99904	32812
22		54164	58492	22421	74103	47070	25306	76468	26384	58151	06646	21524	15227	96909	44592
23		32639	32363	05597	24200	13363	38005	94342	28728	35806	06912	17012	64161	18296	22851
24		29334	27001	87637	87308	58731	00256	45834	15398	46557	41135	10367	07684	36188	18510
25		02488	33062	28834	07351	19731	92420	60952	61280	50001	67658	32586	86679	50720	94953
26		81525	72295	04839	96423	24878	82651	66566	14778	76797	14780	13300	87074	79666	95725
27		29676	20591	68086	26432	46901	20849	89768	81536	86645	12659	92259	57102	80428	25280
28		00742	57392	39064	66432	84673	40027	32832	61362	98947	96067	64760	64584	96096	98253
29		05366	04213	25669	26422	44407	44048	37937	63904	45766	66134	75470	66520	34693	90449
30		91921	26418	64117	94305	26776	25940	39972	22209	71500	64568	91402	42416	07844	69618
31		00582	04711	87917	77341	42206	35126	74087	99547	81817	42607	43808	76655	62028	76630
32		00725	69884	62797	56170	86324	88072	76222	36086	84637	93161	76038	65855	77919	88006
33		69011	65795	95876	55293	18988	27354	26575	08625	40801	59920	29841	80150	12777	48501
34		25976	57948	29888	88604	67917	48708	18912	82271	65424	69774	33611	54262	85963	03547
35		09763	83473	73577	12908	30883	18317	28290	35797	05998	41688	34952	37888	38917	88050
36		91567	42595	27958	30134	04024	86385	29880	99730	55536	84855	29080	09250	79656	73211
37		17955	56349	90999	49127	20044	59931	06115	20542	18059	02008	73708	83517	36103	42791
38		46503	18584	18845	49618	02304	51038	20655	58727	28168	15475	56942	53389	20562	87338
39		92157	89634	94824	78171	84610	82834	09922	25417	44137	48413	25555	21246	35509	20468
40		14577	62765	35605	81263	39667	47358	56873	56307	61607	49518	89686	20103	77490	18062
41		98427	07523	33362	64270	01638	92477	66969	98420	04880	45585	46565	04102	46880	45709
42		34914	63976	88720	82765	34476	17032	87589	40836	32427	70002	70663	88863	77775	69348
43		70060	28277	39475	46473	23219	53416	94970	25832	69975	94884	19661	72828	00102	66794
44		53976	54914	06990	67245	68350	82948	11398	42878	80287	88267	47363	46634	06541	97809
45		76072	29515	40980	07391	58745	25774	22987	80059	39911	96189	41151	14222	60697	59583
46		90725	52210	83974	29992	65831	38857	50490	83765	55657	14361	31720	57375	56228	41546
47		64364	67412	33339	31926	14883	24413	59744	92351	97473	89286	35931	04110	23726	51900
48		08962	00358	31662	25388	61642	34072	81249	35648	56891	69352	48373	45578	78547	81788
49		95012	68379	93526	70765	10592	04542	76463	54328	02349	17247	28865	14777	62730	92277
50		15664	10493	20492	38391	91132	21999	59516	81652	27195	48223	46751	22923	32261	85653

Table A4.1. Continued.

Line	Col.	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
51		16408	81889	04153	53381	79401	21438	83035	92350	36693	31238	59649	91754	72772	02338
52		18629	81953	05520	91962	04739	13092	97662	24822	94730	06496	38090	04822	86774	98289
53		73115	35101	47498	87637	99016	71060	88824	71013	18735	20286	23183	72924	35165	43040
54		57491	16703	23167	49323	45021	33132	12544	41035	80780	45393	44812	12515	98931	91202
55		30405	83946	23792	14422	15059	45799	22716	19792	09983	74353	68668	30429	70735	25499
56		16631	35006	85900	98275	32388	52390	16815	69298	82732	38480	73817	32523	41961	44437
57		96773	20206	42559	78985	05300	22164	24369	54224	35083	19687	11052	91491	60383	19746
58		38935	64202	14349	82674	66523	44133	00697	35552	35970	19124	63318	29686	03387	59846
59		31624	76384	17403	53363	44167	64486	64758	75366	76554	31601	12614	33072	60332	92385
60		78919	19474	23632	27889	47914	02584	37680	20801	72152	39339	34806	08930	85001	87820
61		03931	33309	57047	74211	63445	17361	62825	39908	05607	91282	68833	25570	38818	46920
62		74426	33278	43972	10119	89917	15665	52872	73823	73144	58668	88970	74492	51805	99378
63		09066	00903	20795	95452	92648	45454	09552	88815	16583	51125	79375	97596	16296	66092
64		42238	12426	87025	14267	20979	04508	64535	31355	86064	29472	47689	05974	52468	16834
65		16153	08002	26504	41744	81959	65642	74240	56302	00033	67107	77510	70625	26725	34191
66		21457	40742	29820	96783	29400	21840	15035	34537	33310	06116	95240	15957	16572	06004
67		21581	57802	02050	89728	17937	37621	47075	42080	97403	48626	68995	43805	33386	21597
68		55612	78095	83197	33732	05810	24813	86902	60397	16489	03264	88525	42786	05269	92532
69		44657	66999	99324	51281	84463	60563	79312	93454	68876	25471	93911	25650	12682	73572
70		91340	84979	46949	81973	37949	61023	43997	15263	80644	43942	89203	71795	99533	50501
71		91227	21199	31935	27022	84067	05462	35216	14486	29891	68607	41867	14951	91696	85065
72		50001	38140	66321	19924	73163	09538	12151	06878	91903	18749	34405	56087	82790	70925
73		65390	05224	72958	28609	81406	39147	25549	48542	42627	45233	57202	94617	23772	07896
74		27504	96131	83944	41575	18573	08619	64482	73923	36152	05184	94142	25299	84387	34925
75		37169	94851	39117	89632	00959	16487	65536	49071	39782	17095	02330	74301	00275	48280
76		11508	70225	51111	38351	19444	66499	71945	05422	13442	78675	84081	66938	93654	59894
77		37449	30362	06694	54690	04052	53115	62757	95348	78662	11163	81651	50245	34971	52924
78		46515	70331	85922	38329	57015	15765	97161	17869	45349	61796	66345	81073	49106	79860
79		30986	81223	42416	58353	21532	30502	32305	86482	05174	61796	54339	58861	74818	46942
80		63798	64995	46583	09785	44160	78128	83991	42865	92520	07901	80377	35909	81250	54238
81		82486	84846	99254	67632	43218	50076	21361	64816	51202	88124	41870	52689	51275	83556
82		21885	32906	92431	09060	64297	51674	64126	62570	26123	05155	59194	52799	28225	85762
83		60336	98782	07408	53458	13564	59089	26445	29789	85205	41001	12535	12133	14645	23541
84		43937	46891	24010	25560	86355	33941	25786	54990	71899	15475	95434	98227	21824	19585
85		97656	63175	89303	16275	07100	92063	21942	18611	47348	20203	18534	03862	78095	50136
86		03299	01221	05418	38982	55758	92237	26759	86367	21216	98442	08303	56613	91511	75928
87		79626	06486	03574	17668	07785	76020	79924	25651	83325	88428	85076	72811	22717	50585
88		85636	68335	47539	03129	65651	11977	02510	26113	99447	68645	34327	15152	55230	93448
89		18039	14367	61337	06177	12143	46609	32989	74014	64708	00533	35398	58408	13261	47908
90		08362	15656	60627	36478	65648	16764	53412	09013	07832	41574	17639	62163	60859	75567
91		79556	29068	04142	16268	15387	12856	66227	38358	22478	73373	88732	09443	82558	05250
92		92608	82674	27072	32534	17075	27698	98204	63863	11951	34648	88022	56148	34925	57031
93		23982	25835	40055	67006	12293	02753	14827	23235	35071	99704	37543	11601	35503	85171
94		09915	96306	05908	97901	28395	14186	00821	80703	70426	75647	76310	88717	37890	40129
95		59037	33300	26695	62247	69927	76123	50842	43834	86654	70959	79725	93872	28117	19233
96		42488	78077	69888	61657	34136	79180	97526	43092	04098	73571	80799	76536	71255	64239
97		46764	86273	63003	93017	31204	36692	40202	35275	57306	55543	53203	16098	47625	88684
98		03237	45430	55417	63282	90816	17349	88298	90183	36600	78406	06216	95787	42579	90730
99		86591	81482	52667	61582	14972	90053	89534	76036	49199	43716	97548	04379	46370	28672
100		38534	01715	94964	87288	65680	43772	39560	12918	86537	62738	19636	51132	25739	56947